

FRANCHISE AGREEMENT

The Town of Hollis (Hollis), a New Hampshire Municipal Corporation grants to United Video Cablevision, Inc. (United) a non-exclusive franchise authorizing and permitting United to construct and operate a cable television system (System) within the Town of Hollis according to the following terms:

1. Definitions:

- A. Hollis or Town: The Town of Hollis, New Hampshire operating under the Town Meeting form of Government.
- B. Selectmen or Issuing authority: The Board of Selectmen.
- C. Cable Committee: The Cable TV Oversight Committee as appointed by the Hollis Board of Selectmen.
- D. Franchisee: United Video Cablevision, Inc. of 23 Benedict Place, Greenwich, Ct. 06830.
- E. Cable System or CATV System: A facility which receives and amplifies signals received via television and radio broadcast stations, communications satellites, terrestrial microwave and local origination and redistributes such signals to subscribers for a fixed or periodic fee, employing wires or cables passing along, over, under, across and upon streets, ways, lanes, alleys, parkways, bridges, highways and other

public or private places, including property over which the Town has an easement or right of way.

F. Subscriber: A person who contracts to receive the signals

amplified and redistributed by Franchisee.

G. Application: The document entitled "CATV Franchise Application for Town of Hollis, New Hampshire" dated September 23, 1988. Application is part of this Agreement and is incorporated therein by reference.

2. Term:

This franchise Agreement shall expire fifteen (15) years from the

signing of this Agreement. At the expiration of this fifteen (15) year term, the License may be renewed, upon approval and after the exercise of due process by the Issuing Authority for subsequent periods subject to all Federal, State and Local laws and regulations which may be applicable at the time of renewal.

3. Installation, Repairs:

United represents that it now has the financial resources, equipment and technical capacity to construct, install, operate, and service System, and agrees that it shall maintain such resources and capacities during the term of this Agreement.

Installation of system shall begin within thirty (30) calendar days after the completion of the pole make-

ready by the utilities. United shall comply with all preconditions to pole make-ready in a reasonable and expeditious manner. Installation shall be completed without unreasonable delay and in any event, shall be completed within five (5) months from the date of its commencement, absent any delays beyond the control of United. Subscriber service shall commence no later than three (3) months after commencement of construction and all potential subscribers, requesting service within ten (10) months of the signing of this Agreement shall receive service no later than twelve (12) months from the date of the signing of this franchise Agreement. In installing, operating and maintaining equipment, cables and wires, United shall avoid all unnecessary damage and injury to trees, structures and improvements, publicly or privately owned, in and along the routes authorized by issuing authority. Whenever United takes up or disturbs any pavement, sidewalk or other improvement of any public or private way, or public or private place, it shall be replaced and the surface restored in as good condition as before entry as soon as practicable. If United fails to make such restoration within a reasonable time, as determined by the Cable Committee, the Board of Selectmen shall fix a reasonable time for such restoration and repairs required and the time fixed for the performance

thereof. Upon failure of United to comply with the time specified, Selectmen may cause proper restoration and repairs to be made, and the expense of such work shall be paid by United upon demand by Selectmen.

4. Construction maps:

United shall file with Selectmen, within 120 days after completion of initial installation of System, two (2) sets of construction maps of all existing trunk and subscriber installation cabling. These maps shall be updated annually.

5. Indemnification:

United shall indemnify and hold harmless, Hollis, Selectmen, Issuing authority and Cable Committee at all times during the term of this Agreement from any and all claims for injury and/or damage to persons or property, both real and personal, caused by the installation, operation or maintenance of any structure, equipment, wire or cable authorized to be installed pursuant to the franchise. Upon receipt of notice, in writing from Selectmen, United shall, at its own expense, defend any action or proceeding against Hollis, Cable Committee, Town or Selectmen in which it is claimed that personal injury or property damage was caused by activities of United in the installation, operation or maintenance of system, and shall keep Selectmen informed as to the progress of any litigation.

6. Insurance.

United shall carry insurance in companies satisfactory to Selectmen indemnifying Hollis, Cable Committee, Selectmen and itself from and against any and all claims for injury or damage to persons or property, both real and personal, caused by the construction, installation, operation or maintenance of any structure, equipment, wires or cables authorized and used pursuant to this franchise.

The amount of such insurance against liability for injury or death to persons or damage to property shall not be less than five hundred thousand dollars (\$500,000.00). If, due to failure of United's equipment for any reason or due to demonstrable negligence

on the part of United, subscriber's equipment is damaged,

United

shall cover the reasonable costs to rectify such damage, including but not limited to the repair or replacement of such damaged equipment. United shall further carry comprehensive excess liability insurance for a total minimum coverage of Five Million Dollars (\$5,000,000.00) above these stated limits.

7. Bond:

Prior to the construction of System, United shall post a performance bond in the amount of One Hundred Thousand Dollars (\$100,000.00) as surety to Hollis of

satisfactory and timely installation of initial System, with indemnity to Hollis. Upon completion of initial System and thereafter for the remainder of the franchise term, United shall maintain a replacement bond in the initial amount of twenty five thousand dollars (\$25,000.00) as surety to Hollis of disposition of System at the end of the franchise term for restoration of pavements, sidewalks and other improvements as required and compliance with the provisions of the Franchise Agreement. The amount of this replacement bond is to be reviewed every five (5) years and adjusted for inflation by mutual consent of United and the Cable Committee. Should mutual consent not be successfully obtained, the Selectmen shall set the amount of the bond which shall not exceed one hundred thousand dollars (\$100,000.00).

8. Antenna Switch:

United shall offer each subscriber an adequate switching device to allow the subscriber to choose between cable and home antenna reception at a cost of \$4.95 to subscriber during the initial installation period. Such device shall be installed only at the specific request of the subscriber. United shall make such a switch available to subsequent subscribers, upon specific request of subscriber, at a cost of \$15.00.

9. Emergency use:

In case of an emergency or disaster, United shall, upon

the request

of the Hollis Board of Selectmen or its designee, make
available
its facilities to Hollis for use during the emergency or
disaster
period.

10. Complaints:

The Cable Committee, acting through the Board of Selectmen, has oversight of the continuing administration of this franchise Agreement and of the reasonable implementation of a complaint procedure regarding marketing, installation and service. These services shall be performed by United, or its agents, in a reasonable and workmanlike manner. Notice of the complaint procedure shall be given by United to each new subscriber at the time of initial subscription to the cable system. United shall maintain and make available to Hollis, at its request, quarterly records of complaints regarding United's marketing, installation, repair and provision of services under this Agreement. As expeditiously as reasonably possible and specifically as delineated in the franchise application, after receipt of subscriber complaints regarding CATV system operations, United shall investigate such complaints and resolve them to the extent reasonably possible. If there shall be a complaint bearing on signal quality, United shall have

the responsibility to demonstrate to the subscriber that a signal of adequate strength and quality has been delivered. In the event service to a subscriber is interrupted for a period of twenty four (24) or more consecutive hours, for a reason other than that of non-payment by the subscriber of amounts due to United, then United shall grant the subscriber a pro-rata credit or rebate.

11. Local Telephone:

A toll free telephone number shall be maintained for Hollis subscribers, by United, for use by subscribers to order CATV service, request pay for view, request repairs, register complaints or make other business communications. Should complaints be substantiated, in the opinion of the Cable Committee, that subscribers encounter excess delays in reaching United due to any phone line being busy, United shall install such additional trunking lines as may be necessary to avoid such delays.

United shall establish a telephone answering service, during non-business hours and throughout the term of this franchise, to answer questions about service outages and provide proper referral regarding billing and other subscriber information.

12. Franchise Fee:

An annual franchise fee shall be payable to Hollis in

an amount equal to three percent (3%) of the gross revenues for each twelve (12) month period derived from regular cable television, premium services and subscriber installations only. The fee shall be paid by April 1, 1989 and each twelve (12) month anniversary thereof together with an audited statement of the gross receipts.

Selectmen may, within 15 months after receipt of the fee, audit all of United's books regarding revenue received under this franchise, and United shall make such books and supporting information available for examination by Selectmen. If United's gross receipts are understated by more than three percent (3%), it shall pay the cost of the audit. Any untimely or deficient payment of the fee shall bear interest at the rate of eighteen percent (18%) per year.

13. Access Channel, Program Origination:

United shall make reasonable access channel space available for community use. Further, United shall make available its studio facilities and program production equipment, in Pepperell, to interested persons residing in Hollis. Such persons shall be trained, at no cost, in the operation of production equipment and the creation of locally originated programming. Properly trained persons who have been certified by United may use United's studio facilities for the presentation of locally originated programming.

United shall provide means for live transmission of local programming from Hollis' Town Hall and High School for the purpose of transmitting Town Meetings, School District Meetings and Town Board Meetings. Such live transmission coverage shall be available under the direction of an appropriate club or committee (volunteers), as designated by the Cable Committee, utilizing training and equipment as provided by United. United shall also provide use of equipment for videotaping such events for later broadcast. United shall not be obligated to provide personnel for such coverage beyond the training of such volunteers as noted above. When the local access channel is not in use for broadcast of local programming, as cited above, it shall continuously display a community bulletin board and/or newsletter of special interest whose content shall be governed by the Board of Selectmen. Said Board of Selectmen will have the ability to change the content of such bulletin board or newsletter directly from the Town Hall by appropriate terminal which shall input data directly into the access channel programming.

14. Free Drops and Service:

Franchisee, at no charge, shall install a service drop and outlet for each floor of any public building, not to exceed four (4) drops per building, including, but not limited to, the Town Hall, Police Station, Fire

Station, Public Library, all School buildings, and any such other present or future municipal and/or public buildings as designated by Selectmen. United shall, at its expense, annually inspect, and repair as required, such drops and outlets. Basic cable system service shall be delivered, on a continuing basis, to each such outlet free of monthly charge.

15. Area to be Served:

The cable System facilities to be installed by United shall reach all present dwelling units fed by utility pole and underground service from within Hollis and shall be extended to serve new housing developments as they are built. United shall inform Selectmen of the schedule by which it shall make service available in the various service areas. United shall proceed expeditiously and reasonably in this service installation.

16. Transfer and Assignment:

This franchise or any renewal of the franchise may not be transferred or assigned without the prior written consent of Selectmen, which consent shall not be arbitrarily or unreasonably withheld. Transfer includes merger, spin-off or other corporate reorganization or the transfer by an existing stockholder of any quantity of the shares now held which could allow a change of effective control of United.

17. Regulation:

During the term of this Agreement, United shall comply with all applicable Federal, State and municipal statutes, ordinances and regulations applicable to the system including without limitation, FCC rules and regulations, building, electrical and other like ordinances or codes. All lines and other equipment shall be maintained in good repair. United shall maintain an annual technical report which will detail the results of tests verifying signal levels on all of the System's cable channels, and on items listed in the franchise application, and, upon request, provide same to Selectmen. Such tests will be conducted at a minimum of ten (10) locations within the system. Hollis reserves the right to conduct an independent test or inspection of United's System to ascertain United is meeting the technical standards and specifications claimed by United at any time prior to renewal of franchise. Should this independent testing or inspection ascertain that United is not meeting the technical standards and specifications it claims, the testing and inspection costs shall be paid by United. Hollis further reserves the right to independent testing for grounding, Radio Frequency Interference (RFI), cable leakage, signal strength, etc.

18. Right to Purchase:

In the event franchisee solicits bids to purchase the

cable television system serving the Town of Hollis, Hollis shall be afforded the opportunity to submit a bid to purchase such system along with any other interested parties.

19. Termination:

This franchise may be terminated by Selectmen for any of the following reasons:

- A. A violation of any obligation of United which remains uncured for thirty (30) calendar days after written notice from Selectmen and/or Cable Committee except as otherwise provided in this paragraph.
- B. Repeated failure to maintain signal quality under the standards published in the franchise application or by the FCC, whichever is more stringent.
- C. Any assignment of United without the express written consent of the Hollis Board of Selectmen.
- D. Failure to pay the franchise fee within thirty (30) calendar days after the due date. Selectmen shall have given United seven (7) days notice, in writing, of its intent to terminate.

Notwithstanding the foregoing, however, except as to para 19(D), (1) if United is contesting the validity of a claim of default in court, then any termination shall be delayed pending the outcome of the litigation or (2)

if United has defaulted due to a force majeure beyond the control of United, this franchise shall not be terminated and shall remain in effect so long as United demonstrates to Selectmen that it is diligently working to correct the default and United provides an acceptable schedule of cure of said default.

20. Renewal:

United shall give Selectmen 30 to 36 months notice of its intent to renew this franchise Agreement.

Selectmen may require an operator performance and community needs assessment conducted at United's expense prior to a public hearing and commencement of negotiations for franchise renewal. Denial for renewal of franchise is not limited to but may include history of franchisee's quality of service, financial position, legal and technical ability to perform and capability to provide Hollis cable-related needs and interests. Should litigation arise as a result of Hollis' failure to renew United's franchise and should Hollis prevail in that litigation, United shall reimburse Hollis all applicable legal fees.

21. Rates.

Rates, as published in the franchise application, shall be guaranteed for a period of twelve (12) months from date of completion of System installation. Rate changes, thereafter, shall be submitted by United at a meeting between United and the Cable Committee and/or

Board of Selectmen upon at least sixty (60) days notice from United of its intention to increase rates.

United's rate structure shall be administered, without discrimination. United shall provide converter addressability to facilitate "pay for view" service and shall make reasonable provisions for requests from subscribers for "pay for view" service.

22. Stereo Sound:

Standard MTS stereo sound will be provided on all TV Broadcast channels for which it is available from the source and on certain satellite channels, at the discretion of the franchisee. United shall aggressively pursue providing Stereo sound on as many satellite channels as is economically feasible. Stereo sound for such channels may also be provided within the FM broadcast band at the discretion of franchisee.

23. Removal on Termination:

Upon termination of the period of the franchise or of any renewal of franchise, by passage of time or otherwise, United shall remove its supporting structures, poles, transmission and distribution systems and other appurtenances from the streets, ways, lanes, alleys, parkways, bridges, highways and other public and private places over, under or along which they are installed and shall restore the areas to their original condition. If such removal; is not completed within four (4) months after termination, Selectmen

may, (1) cause all or part of same to be removed at United's expense and (2) any and all such equipment which Hollis desires not removed, shall become the property of Hollis with no encumbrances or liens.

24. Separability:

If any section, paragraph, term or provision of the franchise is determined to be illegal, invalid or unconstitutional by any court of competent jurisdiction or by any State or Federal agency having jurisdiction thereof, such determination shall have no effect on any other section, paragraph, term or provision hereof, all of which shall remain in full force and effect for the term of the franchise or any renewal or renewals thereof.

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IN WITNESS WHEREOF, the members of the Board of Selectmen of the Town of Hollis, New Hampshire, as Issuing Authority, have hereunto set their hands this _____ day of _____ 1988.

TOWN OF HOLLIS

By:

Richard Walker,

Chairman

By:

Philip Mercer

By:

James Belanger

Approved as to Form:

William Drescher
Esq. Town Counsel

INC.

UNITED VIDEO CABLEVISION,

By: _____

Lawrence Flinn,
Jr. President

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